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February 15, 2010

Re: De Vries v. Kenneth A. Jowdy, et al., LASC Case No. BC 416081

Dear Jowdy lawsuit Plaintiffs/ Clients,

The Court has ordered that depositions be taken from each of you (regardless of our objections) for next week, all to take place in Los Angeles in direct contradiction to California Law. Mr. Jowdy's attorneys waited until the last minute to request the depositions. Besides being incredibly expensive for us, it will not be productive for our case.

Prior to that, they had not made any discovery requests and had instead filed motion after motion attacking your individual right to sue Jowdy as an individual instead of on behalf of the company.

There is a hearing set for March 2, 2010, in Los Angeles where the Judge could dismiss the case if he believes the lawsuit should have been filed against the company instead of filed against Jowdy individually. The legalities aren't that important for you to understand.

This is what is important, we now have two full days of videotaped deposition from Jowdy. We have over 7500 pages of information produced by Jowdy pursuant to Court Order as a result of the lawsuit that we filed and our proactive aggressive efforts. There is an active criminal grand jury investigation against Jowdy and the government wants to interview some of you. I need time to develop a new and stronger strategy using these issues without the limitations of us being in an active lawsuit that involve all of you personally.

I believe our remaining time is better spent cooperating with the criminal investigation and waiting and seeing what happens in Cabo. We may still participate in additional mediation sessions with Jowdy in Los Angeles even if there is no active lawsuit. I recommend we dismiss our current lawsuit without prejudice. Although the term "dismissed" sounds like it has a certain meaning, when you dismiss without prejudice, you are basically simply temporarily stopping the lawsuit. This way, we can regroup and re-file at anytime and there is no downside for you as plaintiffs.

Client Letter re: De Vries v. Kenneth A. Jowdy, et al.;

LASC Case No. BC416081 Re: Dismissal without Prejudice

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In addition, the new Cabo lawsuit should be filed under the LLC that holds your interest in Cabo and not under your individual names. There was a reason we filed the lawsuit under your personal names initially but going forward, it is better to file as the LLC. This will then prevent Mr. Jowdy from deposing any of you personally. I think it is a waste of your time and money for you to individually sit for your depositions and spend ten of thousands of dollars on attorney fees hours to do

Now that we have him locked down with his deposition testimony, there is no statute of limitations, which means we do not have a time limit to file any additional lawsuits against him for what he said in his deposition.

If you of course still want to pursue your current individual claim to completion, you will need to appear for your deposition this week in Los Angeles. The judge would not even allow video conference depositions from your homes. He insisted they take place within the jurisdiction where the lawsuit was filed, Los Angeles. Otherwise, I intend to dismiss the action at 3:30pm tomorrow.

Very truly yours,

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RONALD RICHARDS, Esq.